

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO addresses grievances from people impacted by IFC and MIGA projects with the goal of improving environmental and social outcomes on the ground. For more information, see [www.cao-ombudsman.org](http://www.cao-ombudsman.org).



## Building Trust: How Our Work Impacts Community-Company Engagement

Data shows impact, and data gathered from our cases reveal the impact of CAO processes. Here's how our dispute resolution work boosts relationships between communities and companies involved in complaint cases.

The chart displayed captures answers from participants who took part in CAO assessment and dispute resolution processes. The responses reveal increased levels of trust between companies and

communities after a CAO-facilitated engagement. Respondents were asked: "How much do you trust the company?" or "How much do you trust the community?" Each question was asked twice: first, after CAO's assessment process, and then again at the conclusion of the dispute resolution process. Answers were given on a scale of 0 (distrust) to 10 (trust).

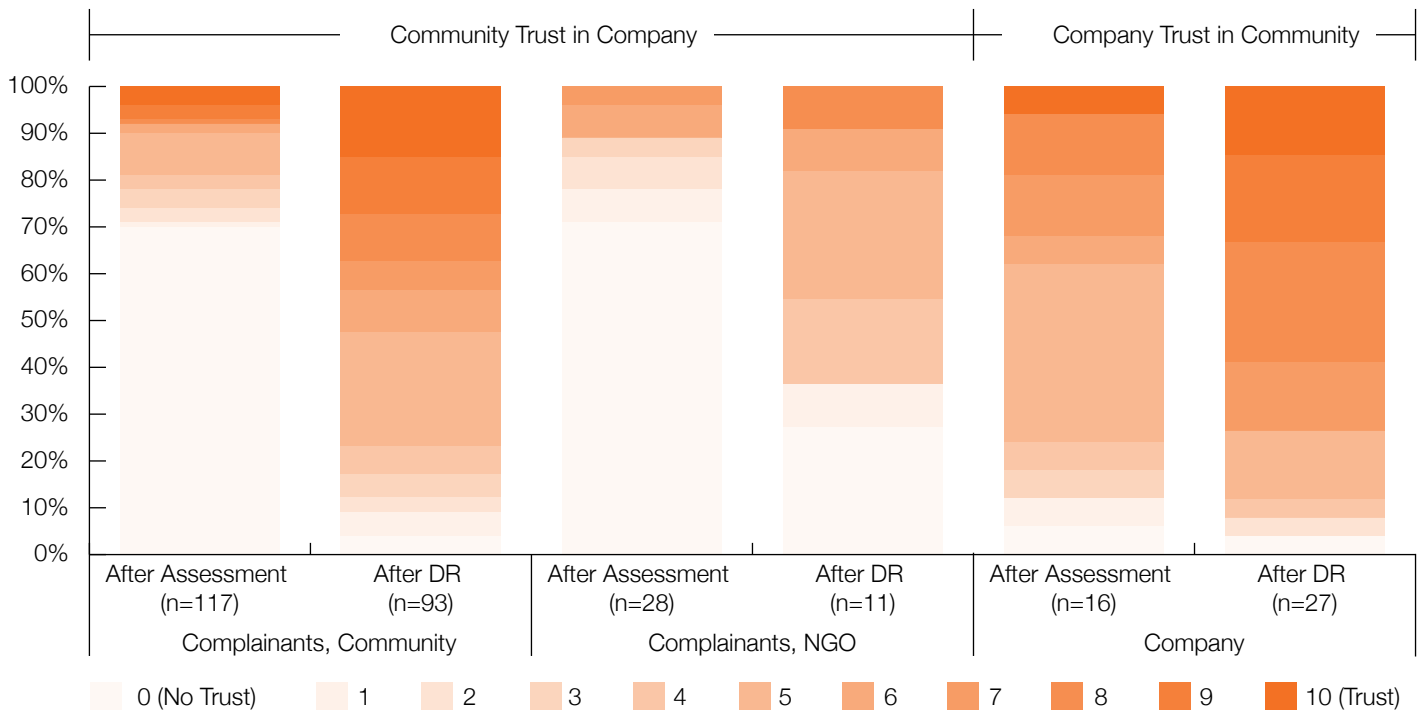
Deeper shades of orange demonstrate higher levels of trust by the people who

**after dispute resolution processes conclude, company representatives trust communities more, and community representatives trust companies more as well.**

CAO's monitoring and evaluation (M&E) work is an important tool to capture feedback from parties involved in CAO processes (respondents not pictured).  
Photo: CAO

responded to the survey. Trust levels increase during CAO's intervention. This means that after dispute resolution processes conclude, company representatives trust communities more, and community representatives trust companies more as well. Trust levels also increase for advisors of community non-governmental organizations — or NGOs. Increased trust allows local stakeholders to engage effectively and constructively and address issues of mutual concern. Neutral CAO mediators and staff work to enhance engagements between communities, and stakeholders for improved social and environmental impacts.

*Continued on next page*



These figures present respondents' views from stakeholder feedback surveys in 13 cases after assessment, and 20 cases after dispute resolution, between 2015 and 2020. The category, "complainants, NGO" refers to civil society organization representatives who support or advise complainants during the CAO process.

DISPUTE RESOLUTION

## Assessment of Garment Manufacturing Project in Haiti Completed

CAO recently completed an assessment of a complaint filed on behalf of over 170 farmer households in Haiti. The complaint is related to IFC's investment in Grupo M and its subsidiary, CODEVI—one of the largest garment manufacturing operations in Central America and Caribbean. The

complaint raises concerns about economic displacement and livelihood loss due to project construction as well as waste management.

During the assessment, both parties—the complainants and the company—agreed to engage in a voluntary dispute

resolution process facilitated by CAO to resolve the issues raised in the complaint.

The dispute resolution process is now underway. Find additional details in the assessment report, available in [English](#) and [Creole](#). [Learn more here.](#)

## Public Consultation on Draft CAO Policy

In response to recommendations from the Board-led *External Review of IFC/MIGA's Environmental and Social Accountability, including CAO's Role and Effectiveness*, a draft IFC/MIGA Independent Accountability Mechanism (CAO) Policy has been developed which is now available for public consultation. Consultations on the draft CAO Policy will run from April 5 to May 19, 2021. In addition to sessions in English, regional consultations will be conducted in Arabic, French, Spanish, and Portuguese, based on demand.

Feedback on the draft CAO Policy can also be provided via an online form on the consultation webpage or can be sent to [accountabilityconsultation@worldbankgroup.org](mailto:accountabilityconsultation@worldbankgroup.org).

The draft CAO Policy is available in Arabic, Chinese, English, French, Japanese, Portuguese, Russian, and Spanish. To get more information on the draft policy, the regional consultation dates and additional details, visit: <http://www.cao-policy-consultation.org>

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## Casework Related to IFC's Investments in Low-Cost Schools in Kenya

CAO has four active cases related to IFC's investments in Bridge International Academies, a chain of low-cost schools in Kenya and other countries. These cases are addressing labor, health, safety and child protection concerns.

In January 2021, CAO completed a **compliance appraisal** that was initiated in response to child protection concerns at Bridge schools in Kenya. This provision in CAO's Operational Guidelines allows for sensitive environmental and social issues not subject to a complaint to be addressed through a CAO-initiated compliance process. CAO's appraisal, which does not make any findings in relation to the company or the impacts of the project, concluded that an investigation of IFC's performance in relation to these concerns was merited. The investigation is expected for completion by December 2021. Learn more [here](#).

CAO is also conducting an investigation focused on the application of IFC's environmental and social standards to the project, particularly in relation to compliance with national law, labor practices, stakeholder engagement and management of health and safety risk. The investigation responds to a June 2018 complaint from current and former Bridge parents and teachers and is expected for completion mid-2021. [Click here for details](#).

CAO is facilitating two separate Dispute Resolution processes between two families and Bridge to address complaints filed in February 2020 regarding a safety incident at a Bridge school in Kenya in October 2019. Case assessment reports are available in English and Kiswahili. The assessment reports are available [here](#), and [here](#).

### COMPLIANCE CASE

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## Monitoring Report Regarding Hydropower Project in Costa Rica

CAO released a compliance monitoring report, following an investigation of IFC's performance related to the Reventazón Hydropower Plant in Costa Rica.

The compliance investigation responded to two complaints from landowners whose lands were expropriated for the development of the hydropower plant. CAO found that the acquisition of land from "non-vulnerable" landowners was a source of significant potential impact and required the client to apply IFC requirements for land acquisition. The investigation revealed non-compliances regarding IFC's supervision of the requirement to provide compensation at "full replacement

cost" for land acquired for the project. Due to this, there were risks of systemic under-compensation of landowners.

Results from monitoring concluded that IFC's response to this compliance investigation only partially addressed project-level non-compliance findings and did not address the risk of under-compensation of households whose lands were acquired for the project. While noting concern that IFC exited its investment in the Reventazón project without ensuring that households were compensated as required, CAO has now closed the case considering that IFC no longer has an investment in the company. [Get more details from the report here](#).



Reventazón Hydropower Plant, Costa Rica  
Photo Credit: CAO/Vincent Darcy

# Outreach in Central America

CAO participated in a Central America outreach meeting, “Guatemala, Honduras and El Salvador: Exchange of Advocacy Experiences in Relation to International Financial Institutions” on January 26, 2021. CAO and the Inter-American Development Bank’s **Independent Consultation and Investigation Mechanism** co-coordinated a session in the virtual event hosted by a regional civil society platform. For more on our outreach and events, [sign up for our newsletters here](#).

¿Qué esperar del proceso?  
¿Qué alternativas tengo para procesar el reclamo?



Resolución de conflictos/ disputas



Investigación de cumplimiento

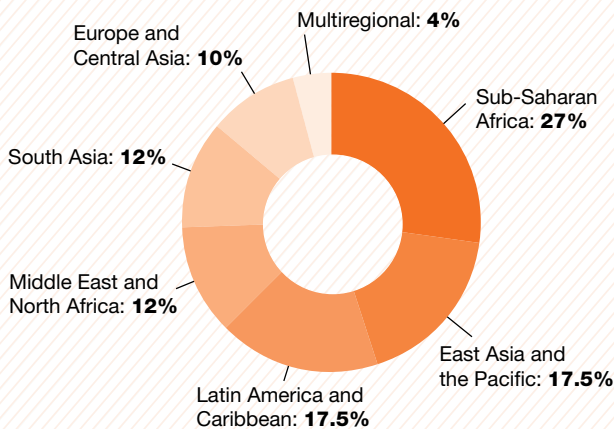


## CAO CASE TRACKER FY21

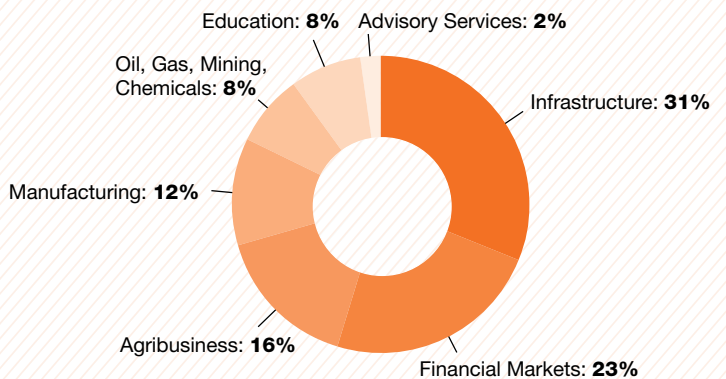
Status as of March 31, 2021. For more information, see [www.cao-ombudsman.org/cases](http://www.cao-ombudsman.org/cases)

During this quarter, we referred two cases from Haiti and Kenya to dispute resolution following assessment. Details on these cases are featured in this newsletter. At the end of the quarter, CAO’s caseload comprised of 51 cases in 28 countries. The graphic below highlights the breakdown of cases by region and sector.

### CASES BY REGION



### CASES BY SECTOR



## FOR MORE INFORMATION

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